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NATIONAL INTELLIGENCE DAILY CABLE

Friday June 10, 1977 CG NIDC 77-134C

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NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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25X1      National Intelligence Daily Cable for Friday, June 10, 1977

25X1      [REDACTED] The NID Cable is for the purpose of informing senior US officials.

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#### INDIA: State Election Prospects

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Elections are scheduled to be held in 10 of India's 22 states and 3 union territories between today and Tuesday. The Janata Party of Prime Minister Morarji Desai hopes to consolidate its earlier national victory. The defeated Congress Party hopes to recoup locally some of the ground it lost in March's election debacle. Janata is expected to receive a plurality in most states, and form governments either alone or as a leading partner in coalitions with independents and, perhaps, leftist parties.

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Nine of the ten states holding elections are in northern India. Janata did very well in this region in the national election, but it is likely to emerge with far smaller margins of victory in the state contests. The other election is in Tamil Nadu, which is in the extreme south, where a regional party appears to have more support than either Janata or Congress.

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[redacted] Janata remains a loose alliance of parties whose leaders have long been out of power and who will do their utmost to prevent internal disputes from destroying their party. The candidate selection process, however, has left bitter feelings among rejected would-be candidates. Many of these plan to run as independents, and their candidacies are likely to diminish Janata's chances of receiving majorities. Some constituents of the Janata alliance, moreover, resent some candidacies being given to Congress Party members who defected to Janata.

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[redacted] The success or failure of the appeal made by Janata elder statesman J. P. Narayan for rejected office-seekers to give up their independent candidacies will probably influence the extent of a Janata victory.

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[redacted] The Congress Party appears to be benefiting from Janata disarray, but Congress still must overcome its association with the harshness of emergency rule and the continuing influence of former prime minister Gandhi in party decisions.

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[redacted] The Communist parties tend to be going it alone except in the Punjab where the pro-Soviet Communist Party of India has formed an electoral arrangement with Janata, and in Bihar, Uttar Pradesh, and Tamil Nadu, where it has linked with Congress. In West Bengal, the more left-leaning Communist Party - Marxist reportedly has a good chance of winning.

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[redacted] If the Janata Party does reasonably well in the state elections, the government in New Delhi is likely to focus on internal matters for the next few months. At present it is busy consolidating its internal political structure and coping with the issues of inflation, increased student dissidence, and rising labor unrest. [redacted]

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#### RHODESIA: Sithole May Return

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[redacted] //Nationalist leader Ndabaningi Sithole may return to Rhodesia later this month to try to strengthen his support. [redacted]

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//Sithole has been in exile since early  
1975, and previously served 10 years in jail.

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//Sithole's supporters inside Rhodesia had planned a mass rally last Sunday to whip up enthusiasm for his return. Justice Minister Squires prevented the gathering, according to South African press reports, and stated that such meetings could not be allowed until Sithole "denounced terrorism." The government may be trying to get further commitments from Sithole, but the nationalist leader informed the press on Monday of his intention to go to Rhodesia.//

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//Sithole is now in London seeking international support at the Commonwealth Conference

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### CHINA: Party Control Over Military

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A recent editorial in China's army newspaper, the Liberation Army Daily, reaffirms the principle of Communist Party control over the military and argues that further political work in the army is required in order to accelerate military modernization. The editorial also states that "army building"--modernization--"must take place at the same time" as economic growth. It avoids, however, discussing specific army budgetary decisions, a topic that probably remains contentious.

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The centerpiece of the editorial--two handwritten "inscriptions" by party chairman Hua Kuo-feng and Defense Minister Yeh Chien-ying--deals with political aspects of military development. It puts the army on notice that modernization is possible only if the army demonstrates the proper political attitudes and performance and strictly obeys the party leadership.

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Hua's inscription calls for accelerating "revolutionization and modernization" in the army. Hua appears to define revolutionization as doing proper ideological work, obeying party instructions, and "purifying" army leadership groups. The editorial clearly sets out the priorities for army work: "Our principle is putting revolutionization in charge of modernization." This implies that some leaders in Peking have been dissatisfied with the army's performance in "revolutionization."

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Both Hua and Yeh exhort the army to learn from the "Hard-Bone Sixth" Company, a unit widely praised not only for its excellent combat training, loyalty, and toughness, but especially for its political work, which includes efforts to keep its ranks politically pure. The emulation campaign, which began earlier this year and seemed aimed at weeding out followers of the discredited leftist leaders, had been carried out in a rather low-key fashion. This suggests that there may have been disagreement over its implementation.

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The approach reflected in the editorial seems to serve two purposes. It clearly reaffirms the principle that the army is subordinate to the party leadership, a principle that may have come under question after the purge of the four leftists because of the important role the army played in that

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event. It also provides a sound political justification for resisting any residual argument that military modernization should receive top priority--an argument that Peking, in any event, has been forced to reject for purely economic reasons.

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[redacted] The editorial and the campaign appear to represent Peking's effort to put party-army relations on a firm, correct footing and to point out the proper direction for military development.

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#### SEYCHELLES: Rene Maintains Control

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[redacted] The new Seychelles government of President Rene now appears confident of its ability to maintain control. The government has relaxed its curfew, Rene and his ministers have made several public appearances, and the police--currently the only security force on the islands--seem to be supporting the government. Rene is still voicing some concern about vulnerability to a mercenary attack by deposed president Mancham.

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[redacted] Last night Rene announced that he intends to recruit a "people's security army" starting today, but we have no evidence that a move against him is being planned.

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[redacted] Rene continues to indicate that, despite his leftist credentials, he plans to follow a moderate course. In a press conference on Wednesday, he reiterated his desire to remain nonaligned and to honor all foreign agreements. He plans to allow the US tracking station to continue operations.

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[redacted] Rene said his government would move slightly to the left but only because the Mancham government was so conservative. Rene seemed to tie this leftist shift to an effort to redress domestic problems such as inadequate housing. This could be an effort to placate radical colleagues who brought him to power and who may still not be under his control.

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